

## **The complaint**

Mr M has complained that Lloyds Bank PLC ('Lloyds') suspended his bank account for five days and didn't provide an explanation why. He said he suffered financial losses as a result, for which he wants to be compensated.

## **What happened**

In May 2023 Mr M received a notification on his phone that his card had been suspended. He says he called Lloyds and was told he needed to attend a branch with his ID to have the suspension lifted. He says he drove to one of the branches and parked his taxi in a car park. Mr M said he waited two hours before he was seen and was eventually told his account would remain suspended. He said he asked for money to pay for the car park, but Lloyds refused. As a result, he walked home which took about three hours.

The next day Mr M says he went into another branch which took around six hours to get there on foot. He said he told staff there that he had to get his taxi back so he could return to work. He also said he needed money to get his medication but was told there was nothing Lloyds could do.

Mr M says he phoned Lloyds who told him to contact his doctor or pharmacy to get an exception. He says Lloyds told him to fill his prescription form incorrectly which would have led to him committing fraud.

Two days later Mr M managed to get his taxi back as well as his medication and food with the help of a friend.

The account was unblocked two days later.

Mr M complained to Lloyds about the suspension. Lloyds didn't uphold the complaint. It said the suspension was due to processing delays and that it wasn't able to provide any further information.

Mr M then complained to us and said he wanted to be compensated for the losses he suffered as a result of the suspension. He said he was caused a lot of distress as a result of not having access to his medication as well as not being able to get his taxi back and work. He said he suffered loss of earnings over the three days he wasn't able to work.

One of our investigators reviewed the complaint. He asked Lloyds to provide further information regarding the suspension. Despite asking for this information a number of times Lloyds didn't provide anything further. Our investigator's view was that the complaint should be upheld as, based on the limited information Lloyds had provided, he wasn't able to say

that the suspension was applied fairly. He said Lloyds should pay Mr M £150 compensation as well as 8% interest on the balance which was in his account over the period of the suspension. He acknowledged that Mr M said he suffered loss of earnings and wasn't able to get his medication but felt he could have done more to mitigate those losses and so didn't think Lloyds should be responsible for them.

Lloyds agreed with our investigator. Mr M didn't agree and asked for an ombudsman's decision. He said his losses were much higher than £150- around £600. He said he couldn't drive his taxi without taking his medication as it would have been dangerous. And he repeated that Lloyds had told him to complete his prescription form incorrectly. He said he is a very private person and didn't want to ask for help and was also too embarrassed about what had happened. He said he also had to reinstate some of his direct debits as he had received letters to say they had been cancelled. And overall, he suffered trauma, stress and loss of time due to having to deal with this.

The complaint was then passed to me to decide.

### **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Lloyds has important legal and regulatory obligations it must meet when providing accounts to customers. They can broadly be summarised as a responsibility to protect persons from financial harm and to prevent and detect financial crime. It's common industry practice for firms to restrict access to an account to conduct a review on a customer and/or activity on an account. This means Lloyds is entitled to block and review an account at any time.

I understand Mr M wants Lloyds to explain the reason it applied the block to his account. It can't be pleasant being told your account is suspended and given no timescales for this. But Lloyds doesn't disclose to its customers what triggers a review of their accounts. It's under no obligation to tell Mr M the reasons behind the account review and block, as much as he'd like to know. So I can't say it's done anything wrong by not giving Mr M this information. And it wouldn't be appropriate for me to require it do so.

However, Lloyds needs to provide information to this service so we can fairly decide a complaint. Despite being asked by the investigator, Lloyds has failed to provide information about why it blocked Mr M's account. This service has the power to request evidence of this nature under the dispute resolution rules (DISP) and despite this request Lloyds has failed to provide the information we have requested. I think our investigator allowed it adequate time to do so. So, in this particular case, because of the lack of information I can't be satisfied that Lloyds has treated Mr M fairly when it blocked his account. Taking this into account, I agree with the investigator that Lloyds should pay Mr M compensation for the trouble and upset caused by blocking his account.

Mr M said that he attended two Lloyds branches as advised and despite this he wasn't able to get his account unblocked and wasn't provided with any further information why that was the case. He says this was also the case when he called Lloyds to make further enquiries. He said that despite making Lloyds aware of his medical conditions and his need for his

medication as well as the fact that he was unable to work due to not having access to his taxi, it provided no assistance and even gave information that was incorrect regarding his prescription.

Having considered what Mr M has told us about how the block impacted him I've no doubt this was a worrying and upsetting time for him. He wasn't able to access his money for five days and eventually had to borrow money from a friend so he could get his taxi back as well as food and medication. He also had to go to the trouble of visiting his branch which he says he had to do on foot which took hours when he didn't manage to get his account unblocked. So I'm satisfied that £150 compensation is a fair amount of compensation and proportionate to the trouble and upset Mr M was caused when Lloyds blocked his account.

In relation to the advice Mr M said he was given regarding his prescription form, I am glad to note that he sought the advice of his doctor/pharmacist before proceeding. I appreciate Mr M says the advice Lloyds had given would have led to him committing fraud, but as this didn't happen it's not something I can award compensation for. I appreciate the advice being wrong may have caused distress and this is something I have taken into account already in the compensation I awarded above.

Mr M said he lost out on over £600 in loss of earnings over the period of the block. Mr M said he is a very private person so he didn't immediately seek help though eventually a friend lent him money to get his taxi back and also to buy medication and food. I appreciate what Mr M has said. I don't think it was pleasant being in this position. But as our investigator said, we would've expected him, and anyone in a similar position, to have taken steps to minimise or mitigate his losses over this period. I appreciate why Mr M felt he wasn't able to seek help straight away but this doesn't mean that Lloyds should be responsible for the losses he said he sustained as a result. As our investigator said if Mr M had been able to get help sooner he would have been able to get his taxi back and not have suffered those loss of earnings. So, in these particular circumstances, I don't think it would be fair for me to ask Lloyds to compensate Mr M for these losses.

In this case Mr M was deprived of funds in his account for five days. This is money that he should have had available to him to use as he wanted. I can't say for sure what the specific cost of not having these funds available would be. It will have influenced a whole host of decisions about spending and borrowing over that time. With that in mind I'm satisfied awarding 8% simple interest on the amount for that period that it wasn't available to Mr M is appropriate. It is a reflection of the cost of being deprived of these funds. It's also in line with the statutory interest rate on judgment debts.

### **My final decision**

For the reasons above, I have decided to uphold this complaint. Lloyds Bank PLC must pay Mr M £150 compensation for the distress and inconvenience it caused him. It must also pay 8% interest per year simple on the balance which was in Mr M's blocked account between 17 and 22 May 2023.

HM Revenue & Customs requires Lloyds Bank PLC to withhold income tax from the above-mentioned interest. Lloyds Bank PLC should give Mr M a certificate showing how much is taken off if Mr M asks for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 26 June 2024.

Anastasia Serdari  
**Ombudsman**